Changes to the Rent Stabilized Housing Stock in NYC in 2020

June 3, 2021
Rent regulation laws allow for shift in regulatory status of units

- Housing Stability & Tenant Protection Act of 2019 eliminated certain methods of deregulation
- Units enter, exit or change status
- Report examines changes to rent stabilized housing stock
- Totals represent a ‘floor’ or minimum count of actual number of newly regulated & deregulated units
Additions to the Stock in 2020

Events that lead to addition of stabilized units:
- Section 421-a program
- J-51 program
- Articles 11, 14 & 15 of PHFL programs
- Mitchell-Lama Buyouts
- Lofts converted to stabilized units
- Rent controlled apartments converting to rent stabilization
- Other Additions
Additions to the Stock in 2020

- 421-a Tax Exemption Program added 4,030 units Citywide:
  - Brooklyn: 54%
  - Bronx: 29%
  - Queens: 12%
  - Manhattan: 5%
  - Staten Island: None

- Median legal rent of all 421-a stabilized units: $3,258

- J-51 Program added 67 units in 2020
Additions to the Stock in 2020

- **Other Additions:**
  - Rent controlled apartments converting to rent stabilization: 146 units
  - Lofts converted to stabilized: 36 units
  - Mitchell-Lama buyout additions: none
  - Articles 11, 14 and 15 of PHFL additions: none
Additions to the Stock in 2020

- Overall, 4,279 units added to the rent stabilized housing stock in 2020
  - 51% decline from the prior year
- Median legal rent of these initially registered rent stabilized apartments in 2020: $2,200
  - 54% decline from prior year
Additions to the Stock in 2020

Additions by Borough:
- Brooklyn: 54%
- Bronx: 28%
- Queens: 12%
- Manhattan: 7%
- Staten Island: None
Events that have led to the subtraction of stabilized units:
- High-Rent High-Income Deregulation
- High-Rent Vacancy Deregulation
- Co-op/Condo Conversions
- Expiration of 421-a benefits
- Expiration of J-51 benefits
- Substantial rehabilitation
- Conversion to commercial or professional status
- Other Losses to the Housing Stock
Subtractions from the Stock in 2020

- High-Rent High-Income Deregulation:
  - 47 units removed
  - Down from 160 in prior year

- By Borough:
  - 62% in Manhattan
  - 30% in Brooklyn
  - 9% in Queens
  - None in the Bronx or Staten Island
High-Rent High-Income Deregulation: Removal of 6,662 Units from 1994 to 2020

Source: HCR annual registration data
Subtractions from the Stock in 2020

- High-Rent Vacancy Deregulation Subtractions:
  - 2,216 units removed, more than any other reason
  - Down from 7,878 their prior year
  - By Borough
    - 46% in Manhattan
    - 26% in Brooklyn
    - 23% in Queens
    - 4% in the Bronx
  - Additional 10 units on Staten Island
High-Rent Vacancy Deregulation: Removal of 170,386 Units from 1994 to 2020

Source: HCR annual registration data
Subtractions from the Stock in 2020

- Other Subtractions:
  - Co-op/Condo conversions: 481 units
  - 421-a expirations: 1,885 units
  - J-51 expirations: 355 units
  - Substantial Rehab: 175 units
  - Conversions: 2 units
  - Other: 1,471 units
Subtractions from the Stock in 2020

- At least 6,632 units left stabilization in 2020
  - 41% fewer than prior year
- Subtractions by Borough:
  - Manhattan: 60%
  - Brooklyn: 23%
  - Queens: 13%
  - Bronx: 3%
  - Staten Island: Fewer than 1%
Summary Table of Additions & Subtractions to the Rent Stabilized Housing Stock in 2020

<table>
<thead>
<tr>
<th>Program</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADDITIONS</strong></td>
<td></td>
</tr>
<tr>
<td>421-a</td>
<td>+ 4,030</td>
</tr>
<tr>
<td>J-51</td>
<td>+ 67</td>
</tr>
<tr>
<td>Mitchell-Lama buyouts</td>
<td>+ 0</td>
</tr>
<tr>
<td>Loft conversions</td>
<td>+ 36</td>
</tr>
<tr>
<td>Article 11, 14 or 15</td>
<td>+ 0</td>
</tr>
<tr>
<td><strong>CHANGES</strong></td>
<td></td>
</tr>
<tr>
<td>Rent control to rent stabilization</td>
<td>+ 146</td>
</tr>
<tr>
<td><strong>Subtotal Additions &amp; Changes</strong></td>
<td>+ 4,279</td>
</tr>
<tr>
<td><strong>SUBTRACTIONS</strong></td>
<td></td>
</tr>
<tr>
<td>Co-op and Condo subtractions</td>
<td>- 481</td>
</tr>
<tr>
<td>High-Rent Vacancy Deregulation</td>
<td>- 2,216</td>
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</tr>
<tr>
<td><strong>Subtotal Subtractions</strong></td>
<td>- 6,632</td>
</tr>
<tr>
<td><strong>NET TOTAL</strong></td>
<td></td>
</tr>
<tr>
<td>Net Estimated Loss</td>
<td>- 2,353</td>
</tr>
</tbody>
</table>
Summary of Changes in 2020

- The study finds an estimated net loss of 2,353 rent stabilized units in 2020
- Vast Majority of Additions to rent stabilized stock were from 421-a tax incentive program: 94%
- High-Rent Vacancy Deregulation make up a third of subtractions from the stabilized stock
- 421-a expirations accounted for 28% of subtractions
Annual Net Change of Rent Stabilized Units 2003-2020
Summary of Changes Since 1994

- Change in Rent Stabilized Stock over last 27 years:
  - 168,656 units added
  - 316,321 units removed
  - Estimated cumulative net loss of at least 147,665 units
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